(d) if so, the steps proposed by Central Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) No, Sir.

(c) and (d) The matter was discussed last month with the representatives of the State Governments and of the concerned Union Ministries. Further consultations are considered necessary to sort out the differences, in view point and also taking into account several important developments on the economic front.

Decline in small savings due to withdrawal of incentives under Income Tax Act

4254. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether small saving collections have declined sharply as a result of withdrawal of certain incentives under the Income Tax Act;

(b) if so, whether this has adversely affected resources position of the State Governments, and particularly Gujarat; and

(c) if so, the steps proposed to be taken by Government in order to correct the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The net small savings collections have been less this year compared to last year. This cannot however be attributed to withdrawal of incentives under the Income Tax Act.

(b) The lower net collections this year have resulted in sanction of lesser small savings loans to most States including Gujarat.

(c) In order to improve the collections, the rates of interest on several small savings instruments have been raised and a new instrument, namely National Savings Scheme, 1992 has been introduced.

Flow of money abroad

4255. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item appearing in the Hindustan Times of the 19th November, 1992 captioned "plea to curb secret flow of money";

(b) if so, whether secret money flowing from our country to others is creating serious economic problem, imparing the development; and

(c) if so, what measures Government are taking to stop the flow of Indian money abroad?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) and (c) The adverse consequences of secret flow of money outside the country have been recognised. To reduce the scope and incentives for such flows, a series of measures have been taken in the recent past, which include Liberalised Exchange Rate Management System and enabling provisions for import of gold by NRIs. Besides, the concerned agencies of the Government especially the Enforcement Directorate remain vigilant and take appropriate action.

Intelligibility of States for Agricultural Finance from NABARD

4256. SHRI VITHALRAO MADHAVRAO JADHAV: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several cooperative credit institutions in 14 States and Union Territories have become ineligible for agricultural finance from NABARD because their recovery rate for short term farm loans has fallen below 50 per cent;

(b) if so, what is the break-up of information in this regard State and Union Territory-wise for the latest period;